

House Judiciary
H. 288
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Tucker Anderson, Legislative Counsel, Office of Legislative Counsel
Actions for damages for the unlawful sale of alcoholic beverages

- DRAM shop liability applies to servers of alcoholic beverages
 - Server is liable
 - Creates actions for damages who can act against the provider of alcoholic beverages.
 - Chain can go from the server to the business, to the landlord of the property.
 - Sale to minor
- Not many strict liability states
 - Reckless liability
 - Or common law violations
- No other New England states that have this strict liability

Amy Spear, Vice President of Tourism, Vermont Chamber of Commerce

Liquor liability insurance – high cost

- Due to the strict liability laws, obtaining liquor liability insurance is difficult
- Maine, negligent service/reckless service
- Remove landlord liability

The crisis of insurance that businesses are facing is due to a combination of insurance market increases and the strict nature of the Vermont DRAM shop liability laws that are making Vermont an undesirable place for insurers.

Testimony from businesses that they are unable to find insurance policies at all, and if they can, they are expensive. Since the Vermont laws include landlord liability, businesses are required to adhere to landlord requirements. For example, Emily Morton of the Deli 126 in Burlington has encountered months of trouble to ensure her bar given her landlords \$1 million dollar per occurrence requirement. The previous owner of the Deli 126 was paying the same policy at \$15,000 dollars, and Ms. Morton was quoted twice, once at \$28,000 and then at \$80,000 per year. Emily Morton signed a policy at \$32,000 to keep her business open. Their alternative plan was to vacate the space by March 1.

Landlord can dictate the liability coverage. Witnesses are asking a legislation change to take out the landlord in the chain of liability.

Doing this though, still makes the state of Vermont an undesirable place to insure due to the market.

Chris Karr, Pickle Barrel

Mr. Karr spoke about having 26 years of experience in the alcohol sale business and currently unable to renew his insurance policy. His policy will run out in the next 6 months forcing him to close the 4 businesses he owns and operates. In comparison to The Deli 126. Mr. Karr owns his properties and is still unable to be insured.

Ryan Smith, Owner of the Monkey Bar

Least amount of liability on the person drinking and the most on people serving. Which is why it's better in Vermont to have a high amount of coverage.

Worsening after pandemic

Equity issue of which locations/who is deemed to be a potential successful candidate for insurance.

Higher Ground owner Alex Crothers, Higher Ground

Same coverage in Maine is 8x higher in VT
5x more expensive in VT than in CT and RI.

ISO Rating in VT is 10, only two states have that rating, VT and Arkansas.